

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
PAINT BRUSH HILLS METROPOLITAN DISTRICT
HELD
MARCH 17, 2016**

A Regular Meeting of the Board of Directors of the Paint Brush Hills Metropolitan District (referred to hereafter as "Board") was held on Thursday, the 17th day of March, 2016, at 7:00 p.m. at the Paint Brush Hills Metropolitan District Office, 9830 Liberty Grove Drive, Falcon, Colorado 80831. The meeting was open to the public.

ATTENDANCE

Directors in Attendance Were:

Kim Griffin
Calvin Pollard
Floyd Roberts
John Bruszenski
Doug Burrer

Also in Attendance Were:

Jennifer Gruber Tanaka, Esq., White Bear Ankele Tanaka & Waldron
(via speakerphone)
Casey Lekahal, Esq., White Bear Ankele Tanaka & Waldron (via
speakerphone)
Rick Goncalves, P.E., RG & Associates
Leon Gomes, District Manager

The names of the members of the public who were in attendance appear on the attached Board Meeting Attendance form.

**DISCLOSURE OF
POTENTIAL
CONFLICTS OF
INTEREST**

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Mr. Gomes noted that conflicts were filed for applicable Directors at least 72 hours prior to the meeting. Mr. Gomes also noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No further conflicts were noted.

**ADMINISTRATIVE
MATTERS**

Agenda: Mr. Gomes reviewed the proposed agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director Bruszenski, seconded by Director Pollard and, upon vote, unanimously carried, the Agenda was approved.

Public Comment:

Don Felke: Mr. Felke presented his comments in writing and reviewed them with the Board noting that this was his annual trip to the Board Meeting. A copy of the written statement is attached hereto and incorporated herein by reference.

Rebecca Bonilla: Ms. Bonilla asked why the May 3, 2016 Regular Election Call for Nominations was not included in the monthly newsletter. She asked what is the balance of the District's debt and what part of the Service Fee is used toward the debt. She requested that the meeting minutes of the meeting where the Base Fee was raised be placed on the District's website. She asked that the Woodmen Hills MD rate increase be included in the monthly newsletter. Ms. Bonilla suggested that members of the public be allowed to conference call into the Board Meetings. She asked why the Lift Station capacity was being analyzed.

Star Bates: Ms. Bates commented that there is a need for more communication from the District. She also commented on the sign change from Falcon Hills to Paint Brush Hills and the request for the Stapleton Road landscape maintenance easement.

Dennis Eagle: Mr. Eagle commented on what he viewed as a threatening letter regarding the Stapleton Road landscape maintenance easement from the District's Legal Counsel.

Consent Agenda: The Board considered the following actions:

- Acknowledge Manager's Report.
- Acknowledge Staff Report.
- Acknowledge Operations Report.
- Approve Minutes of the February 18, 2016 Regular Meeting.
- Review and accept unaudited financial statements for the period ending February 29, 2016.
- Accept updated 2016 Budget Priorities.
- Accept Engineer's Report.
- Approval and Execution of Application for Exemption from the 2015 Subdistrict A Audit.
- Approve the recommendation of the Accounting Services Selection Committee to appoint Shilling & Associates as the District Accountant and authorize execution of Independent Contractor Agreement regarding the same.
- Approve proposal for the purchase of Dell server and technology management services from Colorado Hi-Tech Solutions and execution of Independent Contractor Agreement pursuant to same.

- Approve proposal for the lease of a Xerox copier/printer/scanner/fax from Preferred Document Solutions and execution of Independent Contractor Agreement pursuant to same.
- Approve the payment of claims for the period ending March 17, 2016 as follows:

• General Fund:	\$ 22,947.21
• Debt Service Fund:	\$
• Enterprise Fund:	\$ 60,540.72
• Total:	<u>\$ 83,487.93</u>

Upon motion duly made by Director Pollard, seconded by Director Roberts and, upon vote, unanimously carried, the Board approved the Consent Agenda.

FINANCIAL MATTERS

Public Education Plan Regarding 5.5% Revenue Limit and TABOR Limitations: Mr. Gomes reported that a Fact Sheet concerning the 5.5% Revenue Limit and TABOR Revenue Limit was pending delivery by the US Postal Service. He asked for direction regarding holding an open house.

Following discussion, the Board directed that there not be a District open house to discuss the revenue limits and there be continued written communication concerning this matter.

Energy/Mineral Impact Fund (EIAF) Grant Application: Mr. Gomes provided a presentation concerning the meter usage data, replacement costs, and cost recovery. He requested that the Board approve applying for an EIAF Grant in the amount of \$35,776.80 to cover forty percent of the cost to replace 440 meters and install 440 meter radios.

Following discussion, upon motion duly made by Director Griffin, seconded by Director Burrer and, upon vote, unanimously carried, the Board authorized the submission of the Energy/Mineral Impact Fund (EIAF) Grant Application in the amount of \$35,776.80 to the Colorado Department of Local Affairs.

ENGINEER MATTERS

Update on Progress of District Office & Shop Project: Mr. Goncalves distributed the Site Development Plan as submitted to El Paso County Development Services ("Development Services"). He noted that there has been a delay in the approval process due to a change that Development Services made in the application process. Mr. Goncalves

also distributed the building and improvements cost estimates. He said that the project should be ready to go to bid by May 1 with construction to begin in June or July 2016, and completion by the end of 2016.

Maintenance (Field Mowing) of El Paso County Right-of-Way: Mr. Gomes requested direction from the Board concerning the continued field mowing of the El Paso County Right-of-Way along the north side of Stapleton Road from Liberty Grove Drive to the eastern boundary of Scenic View at Paint Brush Hills. He noted that it was determined that the area which the District has maintained for several year is entirely within the right-of-way.

Following discussion, the Board directed that maintenance of the El Paso County Right-of-Way along the north side of Stapleton Road from Liberty Grove Drive to the eastern boundary of Scenic View at Paint Brush Hills be discontinued.

EXECUTIVE SESSION

Pursuant to Sections 24-6-402(4)(b), (e) and (f), C.R.S., upon motion duly made by Director Brzusenski, seconded by Director Pollard and, upon affirmative vote of at least two-thirds of the quorum present, the Board convened in Executive Session at 8:48 PM for the purpose of negotiations with third parties, personnel matters and receiving legal advice, as authorized by Sections 24-6-402(4)(b), (e) and (f), C.R.S.

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no record will be kept of the remaining portion of this Executive Session that, in the opinion of the District's attorney, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 9:32 PM upon motion duly made by Director Brzusenski, seconded by Director Pollard and, upon vote, unanimously carried.

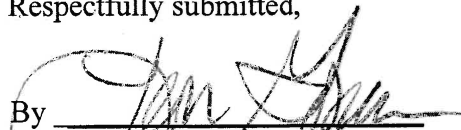
PERSONNEL MATTERS

Personnel Committee Engagement of Investigator: Following discussion, upon motion duly made by Director Brzusenski, seconded by Director Roberts and, upon vote, unanimously carried, the Board authorized the Personnel Committee to engage an investigator.

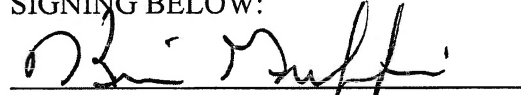
ADJOURNMENT


There being no further business to come before the Board at this time, upon motion duly made by Director Brzusenski, seconded by Director Pollard and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

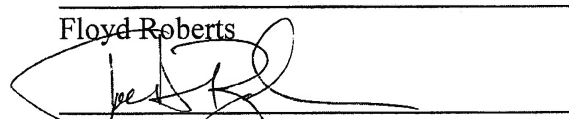
By 
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL MARCH
17, 2016 MINUTES OF THE PAINT BRUSH HILLS
METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS
SIGNING BELOW:


Kim Griffin


Calvin Pollard

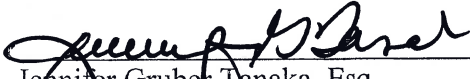

Doug Burrer


John Bruszenski

Attorney Statement

Regarding Privileged Attorney-Client Communication

Pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Paint Brush Hills Metropolitan District, I attended the executive session on March 17, 2016 for the sole purposes of conferencing with the District's legal counsel for the purposes of receiving legal advice on specific legal questions, for discussing matters subject to negotiation and personnel matters, as authorized by §§24-6-402(b), (e), and (f), C.R.S. I further attest that it is my opinion that all or a portion of the executive session discussion constituted attorney-client privileged communication as provided by §24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.



Jennifer Gruber Tanaka, Esq.
General Counsel
Paint Brush Hills Metropolitan District

BOARD MEETING ATTENDANCE

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